

Message Text

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11

ACTION EB-11

INFO OCT-01 ARA-16 EUR-25 EA-11 NEA-14 IO-14 ISO-00 AGR-20

CEA-02 CIAE-00 COME-00 DODE-00 FRB-02 H-03 INR-10

INT-08 L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20

CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01

SP-03 FEA-02 OMB-01 SWF-02 DRC-01 /235 W

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R 311644Z MAY 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 6155

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY KUALA LUMPUR

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MEXICO

AMEMBASSY NEW DELHI

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

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E.O. 11652: N/A

TAGS: ETRD, GATT

SUBJECT: TNC SUBGROUP ON NTBS (3B) - QUANTITATIVE IMPORT
AND EXPORT RESTRICTIONS - MAY 28

1. SUMMARY: AS ANTICIPATED, STRONG OPPOSITION TO SUBGROUP'S CONSIDERATION OF EXPORT RESTRICTIONS (AS CONTRASTED WITH SO-CALLED VOLUNTARY EXPORT RESTRAINTS SIMILAR IN EFFECT TO IMPORT QRS) RESULTED IN REFERRAL ENTIRE ISSUE TO TRADE NEGOTIATIONS COMMITTEE. TNC TO DECIDE WHETHER EXPORT RESTRICTIONS WILL BE INCLUDED IN NEGOTIATIONS AND IF SO WHERE THEY WILL BE CONSIDERED. BEFORE TNC MEETING SECRETARIAT WILL, WITHOUT PREJUDICE TO WHERE EXPORT RESTRICTIONS WILL BE DEALT WITH, COMPILE LIST OF SUCH RESTRICTIONS BASED ON EXISTING NOTIFICATIONS IN NTB INVENTORY PLUS SUBMISSIONS BY PARTICIPATING COUNTRIES OF THOSE RESTRICTIONS THEY CONSIDER DAMAGING TO THEIR TRADE. THERE WAS GENERAL AGREEMENT THAT IT WILL BE DIFFICULT TO TAKE IMPORT QR ISSUE FURTHER UNTIL ACTUAL

BARGAINING BEGINS. LDCE'S REITERATED PROPOSALS FOR PREFERENTIAL ELIMINATION OF QRS OF EXPORT INTEREST TO DEVELOPING COUNTRIES ELICITED

LITTLE RESPONSE FROM ADVANCED COUNTRIES. END SUMMARY.

2. EXPORT RESTRICTIONS. CANADA (RODNEY GREY) AND AUSTRALIA, SUPPORTED BY SEVERAL DEVELOPING COUNTRIES (ARGENTINA, BRAZIL, MALAYSIA AND NIGERIA), ARGUED THAT TNC SUBGROUP ON NTBS DID NOT HAVE COMPETENCE TO CONSIDER EXPORT RESTRICTIONS. TO GO BEYOND SO-CALLED VOLUNTARY EXPORT RESTRAINTS HAVING EFFECT SIMILAR TO IMPORT QRS WOULD, THEY STATED, EXCEED SUBGROUP'S TERMS OF REFERENCE. THEY INSISTED QUESTION BE REFERRED TO TNC FOR SUBSTANTIVE DISCUSSION AND DECISION ON WHETHER EXPORT RESTRICTIONS SHOULD BE DEALT WITH AND IF SO WHERE -- I.E., SUBGROUP ON NTBS, SOME OTHER EXISTING SUBGROUP, OR A SEPARATE GROUP.

3. EC (ABBOTT), U.S. (KELLY) AND JAPAN (MIZOGUCHI) CONSIDERED GROUP'S TERMS OF REFERENCE INCLUDED ALL TRADE DISTORTING EXPORT RESTRICTIONS BUT AGREE TO TNC CONSIDERATION OF THIS IMPORTANT ISSUE AND DECISION ON WHERE IT SHOULD BE CONSIDERED FURTHER.

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4. MOST COUNTRIES QUESTIONING COMPETENCE OF SUBGROUP, LED BY CANADA AND AUSTRALIA, WERE HIGHLY CRITICAL OF SECRETARIAT REPORT, PARTICULARLY ITS FAILURE, IN THEIR VIEW, TO GIVE ADEQUATE EMPHASIS TO PROBLEMS OF RESOURCE EXPORTING COUNTRIES. IN ADDITION CANADA AND AUSTRALIA CRITICIZED SECRETARIAT FOR PREPARING REPORT ON OWN RESPONSIBILITY, ESPECIALLY WHEN NO SUCH SIMILAR WORK BEING DONE IN FIELDS OF INTEREST TO THEM, TO WIT, SECTORS. THEY ALSO SAID THAT PROBLEM OF EXPORT RESTRICTIONS WAS NOT MOST SERIOUS ONE TO BE TAKEN UP IN NEGOTIATIONS AND THAT THEY CONSIDERED OTHER ISSUES, FOR EXAMPLE, THAT OF TARIFF ESCALATION FOR SEMI-PROCESSED AND PROCESSED

GOODS, TO BE OF GREATER IMPORTANCE. CERTAIN DEVELOPING COUNTRIES ASSOCIATED THEMSELVES WITH THIS VIEW. U.S., EC, JAPAN, AND URUGUAY COMMENDED SECRETARIAT REPORT.

5. BRAZIL AND OTHER DEVELOPING COUNTRIES STATED THAT ACCESS TO MARKETS CONTINUED TO BE THE MOST PRESSING PROBLEM FOR WHICH THEY WERE SEEKING SOLUTION IN MTN. HOWEVER, THEY STRESSED THAT THEY WERE NOT PREPARED TO ACCEPT LINK BETWEEN COMMITMENTS ON ACCESS TO SUPPLIES AND COMMITMENTS ON IMPROVED ACCESS TO MARKETS FOR THEIR EXPORTS. MALAYSIA (LAI) QUALIFIED THIS STATEMENT BY SAYING NO DECISION COULD BE MADE ON THIS ISSUE AT THIS STAGE OF MTN.

6. EC REPEATED ITS PROPOSAL THAT SECRETARIAT COMPILE FROM SELF-NOTIFICATIONS AND OTHER AVAILABLE SOURCES DATA ON EXPORT RESTRICTIONS, SUCH INFORMATION TO BE COLLECTED WITHOUT PREJUDICE TO WHERE THE MEASURES WERE TO BE CONSIDERED. U.S. REP REITERATED SUPPORT OF DATA COLLECTION PROPOSAL. JAPAN, NORWAY, SWEDEN AND URUGUAY ALSO FAVORED DATA COLLECTION. STRONG OPPOSITION BY AUSTRALIA, CANADA AND OTHER COUNTRIES TO GROUP'S REQUESTING SECRETARIAT TO COMPILE EXISTING DATA RESULTED IN AGREEMENT THAT NORMAL NTB INVENTORY NOTIFICATION PROCEDURE COULD BE FOLLOWED. BEFORE JULY TNC MEETING SECRETARIAT WOULD COLLECT AND CIRCULATE EXISTING AND NEW NOTIFICATIONS SUBMITTED BY PARTICIPATING COUNTRIES CONCERNING OTHER COUNTRIES' EXPORT MEASURES THEY CONSIDERED TO BE TRADE RESTRICTIVE.

7. QUANTITATIVE IMPORT RESTRICTIONS. U.S. INDICATED THAT IT WAS PREPARED TO WORK FURTHER ON QR TEXTS DEVELOPED IN CTIP. HOWEVER, GROUP ACCEPTED VIEW THAT LITTLE FURTHER PROGRESS ON QR ISSUE LIKELY UNTIL ACTUAL BARGAINING BEGINS.
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8. U.S. NOTED THAT VOLUNTARY EXPORT RESTRAINTS, SOMETIMES EQUATED WITH QRS, AND SOME QRS SHOULD BE CONSIDERED IN THE SAFEGUARDS CONTEXT AND SAID U.S. WAS PREPARED TO HAVE TNC ACTIVATE SAFEGUARDS GROUP.

9. PROPOSAL FOR PREFERENTIAL LIBERALIZATION OF QRS OF INTEREST TO DEVELOPING COUNTRIES (CONTAINED IN SECRETARIAT NOTE MTN/3B/15) INITIALLY DEVELOPED IN GATT COMMITTEE ON TRADE AND DEVELOPMENT WAS MADE BY INDIA AND SUPPORTED BY BRAZIL, NIGERIA, MEXICO, ARGENTINA, ROMANIA MALAYSIA, VENEZUELA, SPAIN, ALGERIA, GHANA, YUGOSLAVIA, INDONESIA AND URUGUAY. PROPOSAL CALLED FOR STANDSTILL ON QRS ON PRODUCTS OF INTEREST TO DEVELOPING COUNTRIES AND REMOVAL ON A PREFERENTIAL BASIS OF SUCH QRS.

10. U.S. RESPONSE, BASED ON INSTRUCTIONS FOR CTD MEETING WHERE LDC PROPOSAL DEVELOPED, NOTED THAT U.S. SUPPORTED IMMEDIATE REMOVAL OF ILLEGAL QRS AND PRIORITY CONSIDERATION OF

REMOVAL OF QRS OF LDC EXPORT INTEREST ON AN MFN BASIS, BUT OPPOSED
REMOVAL ON PREFERENTIAL BASIS. EC REP NOTED THAT NOT ALL RESTRICTIONS
APPLIED BY LDCE ARE JUSTIFIED UNDER ARTICLE XVIII. ALSO CALLED
ATTENTION TO FACT THAT SUBGROUP'S TERMS OF REFERENCE DO NOT COVER
AGRICULTURAL PRODUCTS AND THERE ARE VERY FEW QRS ON INDUSTRIAL
PRODUCTS OF INTEREST TO LDCE. U.S. POINTED OUT THAT EXCEPT FOR
TEXTILES COVERED BY NEW MULTILATERAL ARRANGEMENT SECRETARIAT LIST
CONTAINED NO U.S. QRS ON INDUSTRIAL PRODUCTS. NO OTHER
DEVELOPED COUNTRIES ADDRESSED PROPOSAL.

11. AT REQUEST OF BRAZIL AND MALAYSIA, GATT SECRETARIAT IS
TO PREPARE TECHNICAL STUDY ON WAHS AND MEANS OF PREFERENTIAL
LIBERALIZATION OF QRS DRAWING ON ANY EXPERIENCE WITH
PREFERENTIAL LIBERALIZATION OF QUOTAS. SECRETARIAT ALSO WILL
UPDATE ON A CONTINUING BASIS ITS SUMMARY OF QRS OF INTEREST TO
LDCE (COM/TD/W/203 REV. 1) TO INCLUDE MORE RECENT TRADE
DATA AND WILL UPDATE ITS SUMMARY OF ALL NTBS OF INTEREST TO LDCE
(COM/TD/W/182).DALE

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Message Attributes

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Disposition Date: 28 MAY 2004
Disposition Event:
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